



DEFENSE TRANSPORTATION COORDINATION INITIATIVE



MARINE CORPS TACK-ON
9 APR 09

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LPD-1



Agenda



- Background
- Status
- Challenges
- Metrics





Background



- Partner with a world-class transportation services provider (3PL)
 - Menlo Worldwide Logistics
- Manage distribution of a subset of DoD's CONUS 2nd-destination freight
 - 18 of DLA's Distribution Centers (Depots)
 - 49 selected Service shipping locations--more to come
- Leverage proven, "best commercial practices"
 - Enterprise view of requirements, assets, and processes
 - Consolidation opportunities
 - Improve carrier management
 - Volume discounts--combined commercial & DoD freight volume



Expectations



- Reduced transportation costs
 - Projected savings in excess of 15% over today's spending
- Consistent performance objectives
 - 96/97% on-time pickup
 - 96/97% on-time delivery
 - 98% loss and damage free shipments
 - 99% loss and damage claims settled within 120 days
 - 99% system “up-time”
 - 20/23/25% small business subcontracting goals
- Enhanced In-transit Visibility (ITV)
 - Consistent delivery confirmations, delayed in-route messages
 - Access to 3PL's commercial tracking system
- Streamlined shipment process
 - EDI messages to/from Coordinator's Transportation Management System
 - Single POC for all shipment requests and issues



Goals



- Improve operational effectiveness
- Support strong small business participation
- Improve customer confidence
- Reduce cycle times
- Increase efficiencies
- Develop a partnership to integrate commercial best practices
- Enable process improvements
- Achieve cost savings
- Integrate seamlessly with DoD Distribution System
- Protect operational capability



DTCI “Excluded Freight”



**Universal Services Contract
and Regional Domestic Contract
Ocean Carrier Contracts**

**Sensitive/Classified
shipments**



**Vendor
Shipments**



**Movements Using DoD
Organic Equipment**

**Household Goods
to Include DPM
Shipments**

**Shipments Moved
Under Small Package
Contracts**



**OCONUS
Unit Moves**

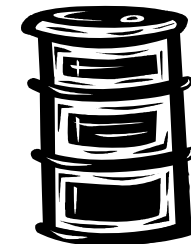
POVs



**Shipments Under On-site
Local Drayage Contracts
and/or Agreements**



**OCONUS Freight
Movements Beyond
Port of Embarkation**



**Bulk &
Missile Fuels**



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DTCI Status



- Marine Corps Site Implementation
 - MCAS Miramar - Implementation - 14 Sep 09
 - Site Visit - 6 Aug 09
 - Training - 8 Sep 09
 - Camp Pendleton – Implementation – 16 Sep 09
 - Site Visit – 11 Aug 09
 - Training – 8 Sep 09
 - Camp Lejeune - Implementation – 5 Oct 09
 - Site Visit – 4 Aug 09
 - Training – 29 Sep 09
 - Twentynine Palms – Implementation – 26 Oct 09
 - Site Visit – 13 Aug 09
 - Training – 20 Oct 09



DTCI Status



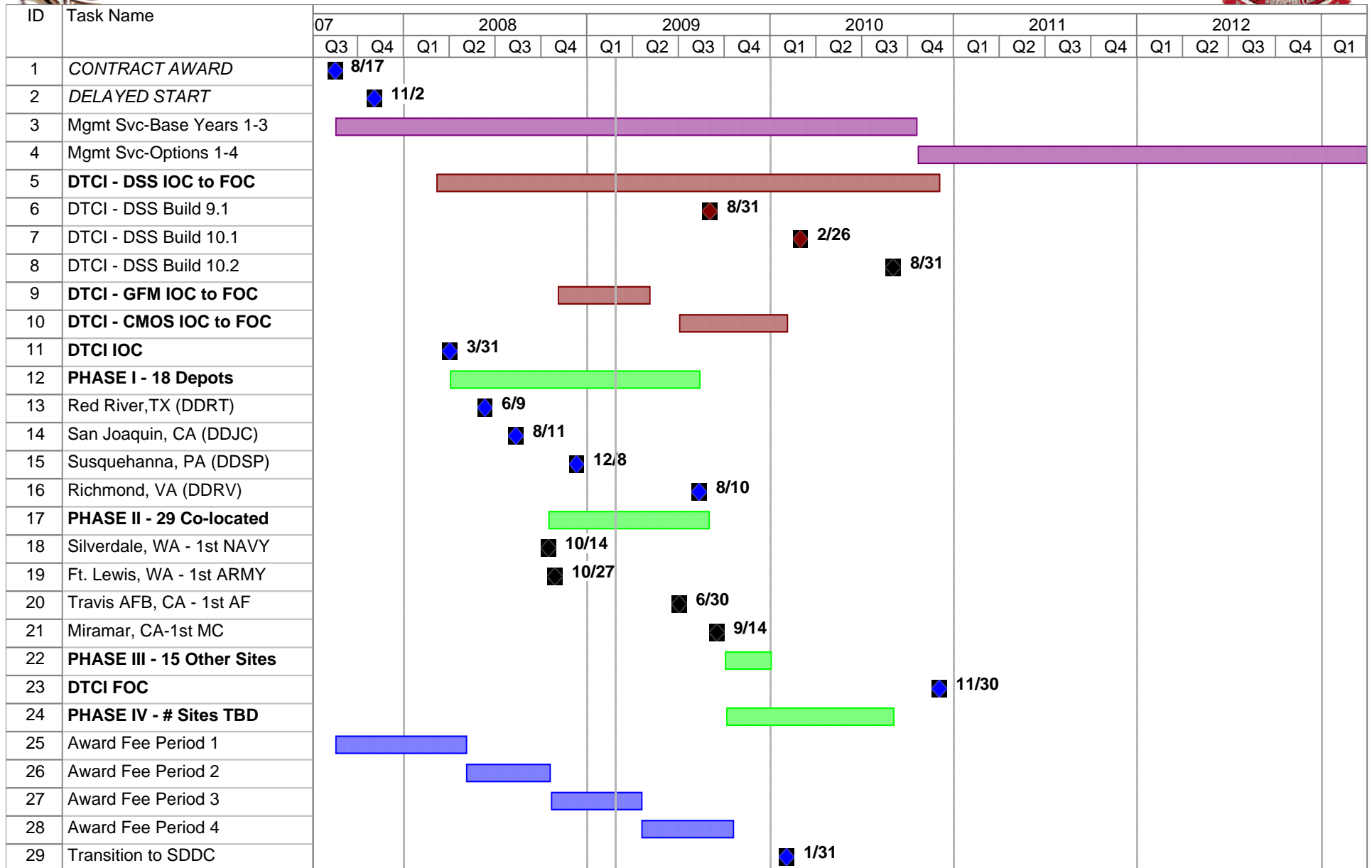
- Site implementation--top Program Management Office focus
 - 11/18 DLA centers “live” now
 - 89.3% of DLA/DDC DTCI volume
 - Lessons learned applied; each better than last
 - DDSP “Go-Live” 8 Dec! #1 DTCI priority
 - 11/49 service sites “live” now
 - Navy sites: 8
 - Army sites: 3
 - AF sites: 1st scheduled for Jun 09 (Travis)
 - MC sites: 1st scheduled for Sep 09 (Miramar)
- Service site coordination
 - Greatly improved; mirrors DLA/DDC implementations



DTCI Status (Cont.)



- Cost avoidance results on track with plan
 - Gross, raw cost savings ~\$14M to date
 - Low hanging fruit...mostly lower rates
- DTCI Way Forward briefing, 7 Jan 09
 - USTRANSCOM TCDC and J-Staff
 - TCDC asked to include DTCI updates at future DTTF meetings
- Authority To Operate --on track for TCJ6/DAA approval prior to 17 Mar 09 Intern Authority To Operate expiration
- Follow-up depot/site visits underway
 - Capture issues/lessons learned and improve ops





DTCI Phase I: 18 DDC Sites



1 DDPW Puget Sound, WA	31 Mar 08	Operational
2 DDDC San Diego, CA	21 Apr 08	Operational
3 DDCT Corpus Christ, TX	12 May 08	Operational
4 DDRT Red River, TX	09 Jun 08	Operational
5 DDBC Barstow, CA	14 July 08	Operational
6 DDJC San Joaquin, CA	11 Aug 08	Operational

Note: Phase II Begins Oct 08

7 DDOO Oklahoma, OK	14 Oct 08	Operational
8 DDHU Hill AFB, UT	10 Nov 08	Operational
9 DDSP Susquehanna, PA	08 Dec 08	Operational
10 DDNV Norfolk, VA	20 Jan 09	Operational
11 DDAG Albany, GA	09 Feb 09	Operational
12 DDJF Jacksonville, FL	09 Mar 09	On-Track
13 DDAA Anniston, AL	13 Apr 09	On-Track
14 DDTP Tobyhanna, PA	11 May 09	
15 DDWG Warner-Robins, GA	08 Jun 09	
16 DDCN Cherry Point, NC	13 July 09	
17 DDRV Richmond, VA	10 Aug 09	
18 DDMA Map Agency, Richmond, VA	10 Aug 09	

Note: Phase III Begins Sep 09



DTCI Phases II & III: 49 Service Sites



Army (15)

Fort Lewis, WA	Oct - 2008
USPFO Camp Murray, WA	Oct - 2008
USPFO Draper, UT	Feb - 2009
Fort Hood, TX	May - 2009
USPFO Melbourne, FL	Jun - 2009
Fort Lee, VA	Jun - 2009
Fort Eustis, VA (1st Army CMOS)	Jun - 2009
Fort Carson, CO	Jul - 2009
Fort Riley, KS	Jul - 2009
Letterkenny AD, PA	Jul - 2009
Fort Polk, LA	Aug - 2009
Fort Bliss, TX	Sep - 2009
Fort Knox, KY	Oct - 2009
Fort Leonard Wood, MO	Oct - 2009
Fort Bragg, NC	Oct - 2009

USMC (2)

MCAS Miramar, CA	Sep - 2009
Camp Lejeune, NC	Oct - 2009

USAF (8)

Travis AFB, CA	Jun - 2009
Dover AFB, DE	Jul - 2009
McGuire AFB, NJ	Jul - 2009
Langley AFB, VA	Sep - 2009
Charleston AFB, SC	Aug - 2009
Davis-Monthan AFB, AZ	Dec - 2009
Nellis AFB, NV	Dec - 2009
Eglin AFB, FL	Dec - 2009

Navy (23)

Naval Undersea Warfare Center Div, Keyport, WA	Oct - 2008
FISC Everett, WA	Oct - 2008
TRIDENT REFIT FAC Bangor, Silverdale, WA	Oct - 2008
NAS Whidbey Island, Oak Harbor, WA	Oct - 2008
SPAWARSYSCEN, San Diego, CA	Nov - 2008
FISC San Diego, CA	Nov - 2008
NAS Corpus Christi, TX	Jan - 2009
NAS Kingsville, TX	Jan - 2009
Navy NAVICP Code OSM, Mechanicsburg, PA	Mar - 2009
FISC Jacksonville, FL	Mar - 2009
FISC Norfolk DET NSY, Portsmouth, VA	Apr - 2009
NAS Oceana, Virginia Beach, VA	Apr - 2009
FISC Ocean Terminal, Norfolk, VA	Apr - 2009
Military Sealift Fleet Support Command, Norfolk, VA	Apr - 2009
NAVAIRTERM Norfolk, VA	Aug - 2009
SPAWARSYSCEN CHAS DET, Norfolk, VA	Aug - 2009
HQ SPAWARSYSCEN, Charleston, SC	Aug - 2009
USPFO, San Luis Obispo, CA	Aug - 2009
NAS LeMoore, CA	Nov - 2009
NAVWPNSCEN China Lake, CA	Nov - 2009
NAV OCEANOGRAPHIC Office, Stennis Space Center, MS	Nov - 2009
Portsmouth Naval Shipyard, Portsmouth, NH	Nov - 2009
Naval Operational Logistics Support Center, Norfolk, VA	TBD - 2009

TBD (1): One service site



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DTCI Challenges



- Implementation schedule
 - Numerous (45) remaining sites--38 service & 7 depots
- Gov IT shipper systems impact optimization and cost savings potential
 - DSS (DLA): changes required for optimization tools
 - GFM (USA, USN): delay pushed initial sites 1 month out
 - CMOS (USAF, USMC): delayed to Jul 2009
- Beyond “safe start” at DLA centers
 - Optimization processes--long-term benefit of 3PL
 - LTL aggregation, modal shifts, multi-stop trucking
 - Working on plan to achieve DTCI FOC



DTCI Challenges (Cont.)



- Expedited air shipments
 - Continue working with Menlo to improve performance
- DLA/DDC billet support to the PMO
 - Mr. Francis Burke (replaced Ms Ryder) left gov service
 - Replacement?
 - Implementation team healthy
 - Depot optimization support--DLA/DDC visibility and expertise
- MDD related issues
 - Erroneous MDD exceptions--workload now at PMO
 - Stakeholder emphasis to count Mondays



DTCI Challenges (Cont.)



- Savings/avoidance reporting
 - Contract states Menlo performance tied to second half, year three
- Future of DTCI
 - Phase IV: additional sites; funding
 - GSA: freight deemed in-scope
 - Two centers--EDC and WDC (located at DDJC)



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Metrics Discussions with PMO and DDC



- PMO continues to validate Menlo metrics processes
- LMI independent analysis of cost/savings
 - In line with Menlo reported savings and BCA
 - Reviewed a subset of freight moved--30K shipments
 - DDPW, DDDC, DDCT, DDRT, DDBC, DDJC
- PMO coord DDC metrics requirements
 - PMO & DDC met
 - Jan 09 long-distance training
 - 12-13 Mar 09 on-site training



DTCI Status: Key Metrics



Target	Goal	AUG	SEP	OCT	NOV	DEC	JAN
Sites Implemented	16	1	1	7	3	1	3
OT Delivery % w/ Pending Exceptions	96%	89.2%	87.1%	88.3%	91.0%	90.1%	94.7%
OT Pick Up %	96%	93.6%	93.0%	94.4%	96.9%	97.2%	98.5%
System Up Time, Monthly Results	99%	96.6%	98.5%	99.7%	99.6%	99.8%	99.3%
Small Business (% of Purchased Transportation)	≥23%	55.0%	55.0%	55.0%	48.0%	49.0%	53.0%
Overage, Short, & Damage (OS&D) %	2%	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%
Claims Cycle Time (99% in 120 days)	---	N/A	N/A	N/A	N/A	N/A	N/A
Deliver Freight Savings (Goal is less mgt fee, chart shows gross)	19.1%	22.0%	19.0%	31.0%	26.0%	19.0%	23.0%

Program to Date Volumes

- 43 weeks of live ops
- Gross weight = 331M lbs
- Shipment count = 82,325
- Freight spend = \$58.2M

